

DOCKET FILE COPY ORIGINAL

RECEIVED

DEC 19 1996

Before the  
Federal Communications Commission  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter

Federal-State Joint Board on  
Universal Service

CC Docket No. 96-45

Comments of  
The National Urban League, Inc.

In its Public Notice, the Federal Communications Commission (the Commission), seeks comment on the recommendations of the Joint Board on Universal Service. Among the issues that the Commission requested comment on are: (1) identifying appropriate support levels for schools and libraries and (2) establishing of baseline support for low-income consumers.<sup>1</sup>

The Urban League is a strong voice for the urban community in the United States. Urban leagues operate in eight out of every ten communities where African Americans and the urban poor reside. The Urban League is concerned that a significant portion of America's inner city communities are in danger of becoming the domain of the "information have nots."<sup>2</sup> The telecommunications and electronic

---

<sup>1</sup> The Commission also asked for comment on the concept of competitive neutrality, provisions for rural health care providers, and the administration of the universal service fund.

<sup>2</sup> Jube Shiver, Jr. Busting Barriers to Cyberspace, Los Angeles Times, March 29, 1995, p.A1; Peter Y. Hong, Losing the Cyberspace Race, Los Angeles Times, February 26, 1995; Ed Rose, The haves and the have-nots; access to information technologies, Communication World, November, 1994, p. 22; Manuel Mendoza, Information Superhighway Bypasses Poor Neighborhoods, The Times Union (Albany, NY), July 24, 1994, p. H2; Independent London, Personal Technology: Info Highway May Bypass Poor, The Atlanta Journal and Constitution, June 12, 1994, Sec. H, p. 10

*OHY*

network infrastructure serving the residents of these communities is often older and less able to provide the newer services and functionalities which middle and upper class neighborhoods can take for granted.<sup>3</sup> Moreover, the current evolution of telecommunications competition policies provide ample justification for the concern that significant portions of such communities will not be the first priority of companies seeking to expand and/or upgrade infrastructure to garner, protect or increase market share.<sup>4</sup>

There are many potential public benefits that access to a viable telecommunications network and services could provide. They include increased economic competitiveness, enhanced delivery of

---

; and Steve Lohr, Data Highway Ignoring Poor, Study Charges, The New York Times, May 24, 1994, Section A; P. 1; Col. 5.

<sup>3</sup> NYNEX ACCEPTS PLAN TO FREEZE PHONE RATES, The Buffalo News, July 4, 1995, pg. 7B; David Butler, ALL-DIGITAL PHONE NETWORK MAKES ITS WAY ACROSS U.S., The Columbus Dispatch, February 10, 1996, Pg. 7H; Steve Halvonik, Tune In, Log On, Dial Up: Superhighway Divides, Pittsburgh Post-Gazette, December 11, 1994, pg. B1.

<sup>4</sup> Nathaniel Sheppard Jr., INTERNET IN THE CLASSROOM; HIGH-TECH PUSH FIGHTS ELECTRONIC REDLINING Chicago Tribune, July 4, 1995, p. 1; David Madrid, Internet providers bypass rural areas, Tucson Citizen, March 29, 1996, p. C15; and Catherine Arnst, Phone Frenzy Business Week, February 20, 1995, p. 92.

education,<sup>5</sup> greater participation in civic democracy,<sup>6</sup> and enhanced medical service delivery.<sup>7</sup> Given these and many other potential benefits, it is imperative that inner city communities not be placed on the wrong side of an expanding digital divide.

For these reasons, the League welcomes the opportunity to participate in the open, national deliberative process to develop an equitable universal service policy for all the people of the United States. Clearly the outcome of the Commission's deliberations is critical to the nation and to the people of the communities which the League serves.

#### I. Schools and Libraries

The deliberations will have a profound effect on America's children, especially those whose communities, schools, libraries and parents are unable to fund sufficient access to the information superhighway. For this reason, the League commends the Joint

---

<sup>5</sup> Testimony of Dr. Linda G. Roberts Director, Office of Educational Technology, U.S. Department of Education, Before the Senate Committee on Commerce, Science and Transportation, Science, Technology and Space Subcommittee, Federal News Service, APRIL 24, 1996; and Testimony of Madeline Kunin, Deputy Secretary of Education, before the Senate Committee on Appropriations, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Federal News Service, April 4, 1995.

<sup>6</sup> Democracy...is increasingly tied to computer and telecommunications network usage. Peter Y. Hong, Losing the Cyberspace Race, Los Angeles Times, February 26, 1995, p.12; and Howard Rheingold, Electronic democracy; The great equalizer, Whole Earth Review, June 22, 1991, Summer, p. 4.

<sup>7</sup> 4. Ryan, Margaret, Distance health care is latest medicine, Electronic Engineering Times, April 29, 1996, p. 55; and Michael Unger, Digital Doctors, Newsday, January 29, 1996, p. C1.

Board's recommendation to extend significant discounts on telecommunications and information services to school and libraries on the basis of need pursuant to the Telecommunications Act of 1996.<sup>8</sup>

However, as the FCC considers adoption of the Joint Board's recommendation, the League offers the following suggestions and caveats. The League respectfully requests that the Commission view the Joint Board's recommendation regarding the fund's size as a starting point, given the existence of significant concern among Joint Board members that the fund as proposed may be too small.<sup>9</sup> Moreover, the League exhorts the Commission to take whatever methods may be required to insure that every classroom and library in every neighborhood is assured access to affordable basic and advanced telecommunication services.

Among other things, the FCC should establish monitoring and support mechanisms to assure that schools and libraries in urban communities acquire timely, effective access to basic and advanced telecommunications and information services. Without such mechanisms, many of the schools and libraries operating in communities with the greatest need will lack the expertise necessary to timely and properly respond to opportunities which

---

<sup>8</sup> SEC. 254 (b) (6), SEC. 254 (c) (3) and Sec. 254 (h) (1) (B).

<sup>9</sup> Much Still Unresolved; Telecom Industry Divided on Universal Service Proposal, NARUC is Told, Communications Daily, November 21, 1996, p. 2.

will be created by the proposed discount and fund.

In addition, the Leagues and other similarly situated community based organizations providing such educational and informational services should also be entitled to discounts commensurate with those made available to schools and libraries. The League believes such a policy is appropriate for several reasons. Like schools and libraries, the 115 Urban Leagues in thirty-four states and the District of Columbia constitute a substantial component of the education, information and service delivery infrastructure of their urban communities. In many instances, they provide necessary services such as pre-school, after-school and adult education that schools and libraries are not funded to handle. Further, not all communities of need have schools or libraries either located within them or in close proximity. For instance, some communities have suffered library closings.<sup>10</sup> Some schools suffer from inequitable funding as well.<sup>11</sup>

---

<sup>10</sup> Hampton P. Howell; Don't sacrifice neighborhoods in pursuit of downtown library, *The Nashville Banner*, October 14, 1996, p. A12; Leonard Kniffel, Criticism follows hoopla at new San Francisco library, *American Libraries*, August, 1996, p. 12; Rod Overto, Decision to Close Library Called Racist, *News & Record* (Greensboro, NC), March 8, 1996, p. A1; and Jerry Thomas, Money for City Library Boom is Drying Up, *Chicago Tribune*, February 11, 1996, p. 1; Zone: C.

<sup>11</sup> At least one half of the fifty states have been involved in litigation over the constitutionality of their school financing schemes. See GAO Reports, December 19, 1995, Tuesday, GAO/HEHS-96-39 December 19, 1995, School Finance - Three States' Experience with Equity in School Funding, Report to Congressional Requesters, Linda G. Morra, Director, Education and Employment Issues. Inequalities in State Based School Financing Schemes Continue to Spark Controversy and Litigation Over Their Questionable Constitutionality; and Colin D. Campbell and William

Thus, an access policy for low-income communities solely based upon access via schools and libraries will inadequately serve some communities while leaving out many other communities.

## II. Baseline Support for Low-Income Consumers

Subsection (b)(3) of section 254 requires that the FCC must develop the nation's universal service policy such that:

"consumers in all regions of the Nation, including low-income consumers...should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas."

Thus the FCC should go beyond the extension of Life-Line and Link-Up programs to low-income individuals by establishing policies which hasten the provision of affordable basic and advanced telecommunications services to the homes of low-income individuals. The Communication Act of 1934, Title I, Section 1, set forth the goal of American communications policy "to make available, so far as possible, to all people of the United States a rapid, efficient,

---

A. Fischel, Preferences for school finance systems: voters versus judges, National Tax Journal, March, 1996, p. 1; and Richard Briffault The School Finance Cases, , New York Law Journal, August 10, 1995, p. 3.

Federal and state government efforts to fund education have also been subject to increasing budgetary pressure. National Education Association (NEA) Statement On Final Agreement For FY'96 Education Budget, U.S. Newswire, April 25, 1996; Robert Polner, Cutting Where It Hurts / Federal aid slashed for city schools, Newsday, February 02, 1996, p. A3; Rick Green and Robert A. Frahm, In Search of Solutions for Troubled Schools, The Hartford Courant, May 22, 1996, p. A1; Robert Polner, Special-Ed Cuts Draw Fire, Newsday, May 21, 1996, p. A3.

nation-wide, and world-wide wire and radio communications service with adequate facilities at reasonable charges.<sup>12</sup> But, even with the historic commitment to the inclusive goal of universal service, there are substantial gaps in service.<sup>13</sup> Roughly 25 percent of low income families lack phone service.<sup>14</sup> Pay phones, the traditional substitute for a phone in the home, are becoming less and less

---

<sup>12</sup> Communication Act of 1934, 47 U.S.C. Title I, Section 1(a). The Act amends Section 151, by prohibiting discrimination in the provision of service on the basis of race, color, religion, national origin, or sex. Section 151 of the Communications Act of 1934, as amended, now states in pertinent part:

"...to make available, so far as possible, to all people of the United States without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, nation-wide and world-wide wire and communications service with adequate facilities at reasonable charges..."Telecommunications Act of 1996, Title I, Subtitle A-Telecommunications Services, Sec. 104. Nondiscrimination Principle.

<sup>13</sup> In July 1994, the national telephone penetration rate was almost 94 percent of U.S. households. Although this percentage gives the appearance of universal service coverage, in fact there are 21 states at or below the average penetration rate. There are still 6.2 million homes without telephone service. Thus, universal service is not yet nationwide. Jerry Weikle, Ready for Prime Time - Universal Service Meets Universal Competition Rural Telecommunications, March/April 1995, p. 50-53.

<sup>14</sup> According to a 1993 study, in some poor neighborhoods of New York city, as much as 25 percent of the households lack phones. The absence of working pay phones can undermine fire protection in the absence of local alarm boxes. Research shows that about six million U.S. homes have no direct access to a telephone, including 50 percent of households headed by single women with children who are at or below the poverty level and 21 percent of those living in public housing. See Barbara Ruben, Access Denied; Inequality in Access to Information Networks, Environmental Action Magazine, September 22, 1995, p. 18.

accessible.<sup>15</sup> Without access to a phone poor people lose opportunities to acquire government benefits, secure employment, emergency care and other essentials such as connection to the larger society.<sup>16</sup> For these reasons, an adherence to a set base

---

<sup>15</sup> For instance, in Chicago, a recent proposal to regulate and in some instances prohibit the placement pay phones on private property is an attempt "to fight drug traffic and street crime by banning some of the tools of the trade." The vehemence of the city's efforts caused the local exchange carrier to state: We share the city's interest to confront the drug problem, but moving all of our phones into the public way is not in the best interests of our customers, nor city residents. In some parts of Chicago, one in five residences do not have a home phone..."[We've removed about 500 of our outdoor phones and we've restricted the uses on almost half of them..." Robert Davis, NEW STAB AT LIFELINE OF DEALERS; PAY PHONES FACE 2ND DALEY ATTACK, Chicago Tribune, July 13, 1994, p. 1, quoting Steve Ford, director of external relations for Ameritech Payphone Services.

"In recent years, shoulder surfers have stolen calling code numbers at pay phones and cloners have ripped off cellular phone codes. Now, a low-tech form of telephone fraud called bridge tapping has flourished with the boom in discount phone-calling parlors, where people pay cash to make long distance calls at prices usually lower than those at pay or home phones. Bridge tappers usurp phone lines for huge calling sprees...Bridge taps are as simple as putting in a wire and two clips. They can be made to look like innocent mistakes by NYNEX technicians, and they don't often leave marks when they're removed." Michael Moss, Press "R" for Rip-Off; Calling Sprees; Crooks hack into phone lines, call around world, Newsday, March 19, 1995, p. A05.

<sup>16</sup> In a recently published study of obstacles which predict a lack of a regular medical provider and delays in seeking medical care for patients at an urban public hospital, 20% of respondents cited a lack of phone service. Kimberly J. Rask, Mark V. Williams, Ruth M. Parker, Sally E. McNagny, Obstacles Predicting Lack of A Regular Provider and Delays in Seeking Care for Patients at an Urban Public Hospital, JAMA, The Journal of the American Medical Association, June 22, 1994, Vol. 271: No. 24; p. 1931. Because there are an insufficient number of phones on the street in some New York City neighborhoods residents have no way to let fire departments know if there's a fire. See ALAN FINDER Phone Scarcity Complicates Fire Alarm Plan, The New York Times, February 11, 1996, Sec. 1, p. 49, Col.3.



price for the provision of basic services will be insufficient to address the current shortcomings of our universal service policies. The commission must also address the above issues if it is to ensure the achievement of Congress' intent to assure universal service.

In addition, the Commission should take great care in assuring that the statute's bifurcated definition of telecommunications services which contemplates basic and advanced facilities and services, does not severely disadvantage those who cannot afford advanced applications. One way to avoid against exacerbating the digital divide is to include access to telecommunications lines having fax and modem capability in the definition of basic service. This would assure that e-mail capability would be available to all Americans similar to that proposed by the European Union.<sup>17</sup>

Finally and ideally, the Commission should take whatever methods necessary to insure that the public infrastructure available in the urban cores as well as rural areas becomes and continually evolves to be sufficiently robust to support all basic and advanced telecommunication services as they become available. In short, economic expediency should not be the principal driver of network deployment and upgrade. Like the postal service, everyone everywhere in these United States, regardless of income or other demographic characteristic, must have the most advanced network infrastructure available at their doorstep.

---

<sup>17</sup> EC Pushes Low-Cost Phone Rules 03/15/96, Newsbytes, March 15, 1996

Respectfully Submitted,

John Anthony Butler  
Vice President for Technology

Allen S. Hammond  
Professor, New York Law School and  
Consultant to

National Urban League, Inc.  
500 East 62nd Street  
New York, NY 10021